

*Stacy Trent*  
*1/22/47*

# Tentative OK Given Hotel's Refinancing

A plan for the financial reorganization of the Hotel Realty Company, owners of the Stacy Trent, received tentative approval today by Federal District Judge Philip Forman. He will hold a hearing on it at 4 p.m. tomorrow.

It will provide for the purchase of all of the company's mortgage and interest note obligations from their present holder, Maxwell Abbell, Chicago investor. He holds first and second mortgages aggregating \$797,000 and non-interest bearing interest notes amounting to \$219,207.39. The total debt is \$1,016,207.39.

Judge Forman, in an opinion filed today with the Federal Court clerk, said he had considered an order for liquidation of the company under bankruptcy proceedings. Such a course was recommended by Federal Referee Charles H. Weelans after he failed to find the proposals of the company trustees sufficient to approve.

The plan, which Judge Forman said was to put in form 24 hours before the last hearing January 13, would cover the entire indebtedness to Abbell and leave \$67,710 as an equity to the stockholders.

There are outstanding \$697,100 in shares of preferred stock with \$100 per value. These stockholders, the court noted, proportionately own the outstanding 3,493 shares of common stock. There are about 300 stockholders among Trenton residents, who supported the plan in 1925 to build a modern hotel here.

The trustee, who devised the plan, is Joseph Fishberg, Trenton lawyer. W. Enos Wetzel, company president is the other trustee. They have interested outside capital. Judge Forman said a \$5,000 deposit should be increased to \$15,000.

"Since it is contemplated," Judge Forman said, "that all of the indebtedness of the creditor will be liquidated in full in cash he can have no veto over such a plan. Under it some equity is assured to the stockholders. Under such circumstances the court is bound to regard it as a plan of reorganization."

He suggested that bidding for the property under the plan should not be limited to the present "interested parties," but should include such outsiders as the trustees may encourage to make offers.

Abbell, whose State court suit to liquidate the interest notes was held up by the Federal action, is represented by William A. Moore. H. Collin Minton Jr. is counsel to the company and Eugene T. Urbaniak represents the new capital interests.